

Capital: Bucharest
Population: 22.3 million (July 2002 est.)
GDP(current U.S.\$): \$37.988 billion (2001)
Population below national poverty line (1999) : 29.6% (2001)
GDP per capita (current U.S.\$): \$6,800 (2001)
GDP per capita (purchasing power parity): \$1,695 (2001)
Religion: Eastern Orthodox 87%, Protestant 6.8%, Catholic 5.6%, Other (mostly Muslim) 0.4% (2002)
Language: Romanian (official), Hungarian, German
President: Ion Iliescu
Prime Minister: Adrian Nastase
Ambassador to U.S.: Sorin Ducaru



National Interest: Romania has been an enthusiastic member of NATO's Partnership for Peace program, serving as a strong ally during the Kosovo conflict, and committing resources to the U.S.-led global war against terrorism. A democratically strong and economically prosperous Romania is critical to peace and stability in Southeast Europe. Romania can also provide a positive model for democratic conduct, constructive inter-ethnic relations, and regional cooperation.

OVERVIEW OF USAID'S FOCUS IN ROMANIA

FY 03: Total AEEB - \$29 million, USAID Total - \$26.2 million

Expanding Private Sector (FY03 \$11.65 million, 44%): The Private Sector program works with financial and capital markets, small and medium enterprises (SMEs), agribusiness, energy, and the environment. USAID activities improve policies, laws, and regulations supporting market expansion; strengthen private business associations, nongovernmental organizations (NGOs), and government institutions to make small businesses more competitive and increase their exports; and encourage the state to transfer its assets to private ownership more quickly.

Local Democratic Governance (FY03 \$7.5 million, 29%): This program provides technical assistance and training focused on three main areas: strengthening local government management and citizen participation, increasing local political party organizations' responsiveness to grassroots initiatives, and strengthening the efficiency of lower level courts.

Child Welfare & Women's Health (FY03 \$7.05 million, 27%): USAID assistance through partnerships with NGOs is helping to reduce substantially the unacceptably high levels of child institutionalization in Romania, decrease the number of state-run institutions, and increase the number of counties and municipalities responsible for caring for children. USAID is increasing access to quality integrated health services by integrating reproductive health services into the primary health care system; promoting modern contraception and HIV/AIDS prevention through social marketing and public information campaigns; and coordinating and maximizing resources through partnership activities and encouraging public-private partnerships.

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USAID/Romania Website: http://www.usaid.gov/locations/europe_eurasia/countries/ro/index.html

Hot Issues:

- **International Adoptions:** In October 2001, the Government of Romania (GOR) instituted a moratorium on inter-country adoption to evaluate and improve the child welfare system. This moratorium was extended to February 28, 2003, and is expected to remain in vigor until the passage of new adoption legislation. There is broad support among the GOR and the donor community to improve the current adoption system and to implement a new system as soon as possible. The USG's immediate interest is to help develop the legal framework for inter-country adoption so the moratorium will be lifted as quickly as possible. To that end, USAID is working with Romanian and international donor representatives to provide input on adoption legislation and implementation procedures that will mitigate against corruption in the adoption process and will improve the well-being of vulnerable Romanian children.
- **Corruption:** Corruption is considered a major impediment to increased investment and to public confidence in the government. USAID places great priority on increasing transparency and combating corruption and is engaged in numerous activities in this regard. USAID/Romania's anti-corruption initiatives have achieved success through cross-cutting approaches that address corruption in virtually all sectors. Judiciary reform has been limited and remains a concern.
- **European Union (EU) Accession:** The status of Romania's EU accession is set forth in the EU report, "2002 Regular Report from the Commission on Romania's Progress Towards Accession." While the report was critical of Romania's overall efforts towards meeting major conditionalities for EU membership, it acknowledged that Romania's resolution of a number of outstanding issues over the past year has improved considerably (demilitarizing the police; launching an administrative reform program; consolidating institutions that guarantee democracy, rule of law, and human rights; and adopting new anti-corruption measures). The USG continues to encourage the Romanian government to move forward more swiftly on instituting major democratic, economic and social reform measures.
- **Democratization:** Free and fair elections and the peaceful transfer of power have occurred over the last two elections. The ruling Party of Social Democracy has navigated sensitive ethnic issues and declared an anti-corruption campaign. Multi-party talks have begun on electoral reform to strengthen government accountability and transparency. However, a fractured political party landscape, popular support for the extremist Greater Romania Party, and the lack of a viable opposition party demonstrate the fragility of this new, multiparty system. The long-term challenge to Romania's democratization is to invigorate political parties and equip the leadership with skills they need to complete the country's transition and achieve European integration.